

Message Text

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PAGE 01 KUALA 09660 210816Z
ACTION EB-08

INFO OCT-01 EA-12 ISO-00 COME-00 STR-05 /026 W
-----113385 210824Z /13

R 210740Z DEC 77
FM AMEMBASSY KUALA LUMPUR
TO SECSTATE WASHDC 1346
INFO AMEMBASSY SINGAPORE

UNCLAS KUALA LUMPUR 9660

E.O. 11652: N/A
TAGS: BEXP, MY
SUBJ: PROPOSAL TO CHANGE MALAYSIA COMMERCIAL ACTIVITIES FROM
CAP TO CCP STATUS

REF : STATE 297478

1. WE APPRECIATE OPPORTUNITY TO EXPRESS OUR VIEWS REGARDING
A COUNTRY COMMERCIAL PROGRAM (CCP) FOR MALAYSIA. ACCORDING
TO REFTEL, TWO ARGUMENTS EXIST FOR TAKING SUCH A STEP:
POSSIBLE INCREASED INTERNATIONAL MARKETING CENTER (IMC)
ACTIVITY IN MALAYSIA IN FY 79 AND POSSIBLE INCREASE IN
COMMERCE RESOURCES FOR COMMERCIAL PROGRAMS IN MALAYSIA
IF WE OPERATE UNDER CCP RATHER THAN OUR EXISTING COMMERCIAL
ACTION PROGRAM (CAP). REFTEL ALSO NOTES THAT MALAYSIA
RANKS 42ND OUT OF 50 POTENTIAL MARKETS FOR U.S. EXPORTS.

2. WE THINK IT EXTREMELY IMPORTANT TO LOOK CAREFULLY AT
IMPLICATIONS OF A CHANGE FROM CAP TO CCP STATUS. CPP'S
CLEARLY PLAY IMPORTANT ROLE IN MANAGING COMMERCIAL
RESOURCES AT POSTS WITH LARGE COMMERCIAL SECTIONS
OR THOSE LOCATED IN THE SAME CITY AS AN IMC
(SINGAPORE CLEARLY FITS INTO THIS CATEGORY).
WHILE CCP IS EFFECTIVE TOOL FOR MANAGEMENT,
ESPECIALLY AT LARGE POSTS, IT IS CLEAR THAT ITS
USE INVOLVES A PRICE IN TERMS OF TIME THAT MUST
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BE SPENT IN PREPARING THE DOCUMENT AND IN HAVING
HIGHLY STRUCTURED REVIEWS OF THE PROGRAM. IN THIS
CONNECTION, WE WOULD LIKE TO REMIND BOTH STATE AND
COMMERCE OF EXACTLY WHAT COMMERCIAL RESOURCES WE
ARE TALKING ABOUT MANAGING THROUGH WHAT MOST
OBSERVERS VIEW AS A TIME-CONSUMING PROCESS. AT
PRESENT THESE CONSIST, FOR ALL PRACTICAL PURPOSES,

OF ONE AMERICAN OFFICER AND TWO MALAYSIAN PROFESSIONAL-LEVEL EMPLOYEES. SECTION IS EXTREMELY BUSY FULLFILLING ITS COMMERCIAL RESPONSIBILITIES, INCLUDING INTENSIVE SUPPORT FOR IMC PROGRAMS, AND WOULD NOT WELCOME THE BURDEN OF ADDITIONAL PAPERWORK THAT A CCP WOULD ENTAIL. TIME IS OUR MOST LIMITED RESOURCE AND WE WOULD NOT WISH TO SPEND IT ON MORE PAPERWORK.

3. WE BELIEVE THAT WE HAVE FULLY SUPPORTED THE IMC IN THE PAST AND WILL BE ABLE TO DO SO IN THE FUTURE (INCLUDING FY 79) WITHOUT THE ADDITION OF A CCP. WE DO NOT FIND IT A BURDEN TO HANDLE OUR LIMITED RESOURCES AND FEEL THAT WE HAVE A GOOD HANDLE ON OUR PRIORITIES (BOTH OF WHICH HAVE BEEN MENTIONED IN OTHER CONTEXTS AS REASONS FOR HAVING A CCP). FURTHER, AS PREVIOUSLY MENTIONED, WE CAN HANDLE INCREASED IMC ACTIVITY WITHOUT A CCP. SECONDLY, WE DO NOT BELIEVE THAT THE QUESTION OF AN INCREASE (OR DECREASE) IN COMMERCE RESOURCES FOR MALAYISA SHOULD BE IN ANY WAY CONTINGENT ON OUR HAVING ACCP OR NOT. IT SHOULD BE BASED ON THE PROFESSIONAL JUDGEMENT OF COMMERCE'S TRADE PROMOTION EXPERTS REVIEWING THE RECOMMENDATIONS WE MAKE ANNUALLY IN OUR BEST PROSPECTS REPORT AND IN THE MARKET RESEARCH WE

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PROVIDE. FINALLY, WE CONCUR WITH POINT IN REFTTEL THAT SIZE OF MALAYSIAN MARKET DOES NOT JUSTIFY CCP.

4. IN SHORT, OUR POSITION ON THIS MATTER HAS NOT CHANGED AT ALL FROM TIME THAT IT WAS FIRST RAISED IN 1975-WE AR OPPOSED TO HAVING A CCP AND CAN MEET OUR COMMERCIAL RESPONSIBILITIES WIITHOUT IT.

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Sent Date: 21-Dec-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977KUALA09660
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770475-0632
Format: TEL
From: KUALA LUMPUR
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19771232/aaaabasc.tel
Line Count: 102
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8c2e16ff-c188-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 77 STATE 297478
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 17-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 160772
Secure: OPEN
Status: NATIVE
Subject: PROPOSAL TO CHANGE MALAYSIA COMMERCIAL ACTIVITIES FROM CAP TO CCP STATUS
TAGS: BEXP, MY
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/8c2e16ff-c188-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009